

FISCAL NOTE

SB 2647 - HB 2645

February 10, 2004

SUMMARY OF BILL: Authorizes the state to sell general obligation bonds and bond anticipation notes and provides for the proceeds to be used for the purpose of funding higher education projects expressly including the acquisition of real estate and equipment for facilities under the jurisdiction of the Tennessee Board of Regents and the University of Tennessee Board of Trustees. Provisions of the bill do not specify an amount of bonds to be issued.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - The bill does not specify a maximum amount of bonds to be issued. To the extent bonds can be issued under the provisions of the bill, for every \$100,000,000 in bonds issued, the first year debt service would be \$10,000,000 and the total cost over the life of the bonds would be \$152,500,000.

This estimate assumes that the bonds will be issued for a period of 20 years at an interest rate of 5% and that 1/20th of the principal plus interest will be paid annually.

NOTE: The bill does not include a par amount of bonds to be issued which may effect whether bonds could validly be issued under the provisions of the bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director

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